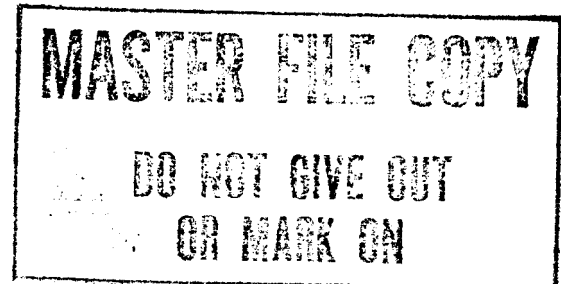




OPEC: The Current Account Balance in 1982 and the Near Term

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An Intelligence Assessment



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An Intelligence Assessment

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This paper was prepared by
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**OPEC:
The Current Account Balance
in 1982 and the Near Term**

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Key Judgments

Even if OPEC manages to get through the current oil glut with the cartel intact, most members will encounter serious financial strains. The OPEC current account surplus, which reached almost \$110 billion in 1980, is gone. We foresee a growing current account deficit, reaching as much as \$40 billion in 1984, unless the members sharply cut back foreign expenditures.

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Falling real oil prices will force a dramatic slowdown in economic development spending in most oil exporting countries. This, in turn, will strain the thin political fabric that holds many of these countries together:

- *Nigeria* faces an immediate financial problem. Foreign banks are unwilling to cover a deficit projected at \$7 billion, forcing Lagos to adopt stringent austerity measures.
- *Iraq* would have severe problems if aid from its Arab neighbors were sharply curtailed. A large loss of revenues would require a drastic slash in imports, which would significantly reduce the Iraqi standard of living. Saddam Hussein's credibility has already been shaken by the war and the stability of his regime imperiled.
- *Libya* would be forced to trim military spending if it wanted to support the current standard of living. That may be necessary for Qadhafi to prevent further disaffection within the middle class.
- *Iran* has already exhausted its foreign exchange reserves and international borrowing capacity. To finance current import requirements Tehran may well attempt to break the current cartel rationing scheme, a move that could put the current price in jeopardy.
- *Indonesia, Algeria, and Venezuela* all have fairly large or rapidly growing foreign debts and only moderate reserves. Lower revenue would force sharp cuts in either development programs, imports, or economic growth. Choices would have to be made between social welfare or industrial development.

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- *Saudi Arabian* leaders would almost certainly order cuts in the development budget, defense outlays, and the foreign aid program long before they would touch social programs and subsidies on food and housing. Moreover, the Saudis have a large enough foreign exchange cushion so they would not have to make deep or immediate across-the-board cuts even if oil prices continued to decline. The Saudis might even turn to foreign credit markets before launching a severe austerity program.
- *Kuwait* has already begun to study possible budget cuts in anticipation of falling oil revenues. Government expenditures could be reduced by a billion dollars or so without significantly affecting the domestic economy. Beyond that, the Kuwaitis would likely dip into reserves if necessary. The ruling family would be reluctant to drastically reduce subsidies for fear of triggering unrest among the large foreign community. Nor would they want to cut aid to the radical Arab regimes because of their deep-seated concern over Kuwaiti security.

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Oil exporting countries cannot count on any relief on the price front during the next few years. Barring a major supply disruption, producers will at best only be able to hold nominal oil prices near current levels. In these circumstances the financial bind will intensify. Some oil market analysts believe prices could continue to decline, perhaps to around \$25 per barrel. Any drop in nominal prices would, of course, add to the already gloomy financial picture facing many oil exporters.

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OPEC: The Current Account Balance in 1982 and the Near Term

Events in 1981

Falling oil consumption, efforts by companies to trim excess stocks, and high Saudi output softened the oil market in 1981 and helped produce the October OPEC pricing accord. Oil consumption in 1981 was about 5 percent below the 1980 level. Favorable supply prospects and high short-term financing costs led the oil industry to pare excess oil inventories by 1-2 million b/d during second-half 1981. OPEC took the brunt of the production cutback. By September, OPEC exports bottomed out at 18.3 million b/d, 11 million b/d below mid-1979 levels (see figure 1). By late October, the production cuts and soft prices forced OPEC members to compromise with the Saudis on a price realignment around a \$34 benchmark.

Rapidly declining petroleum exports in second-half 1981 had an almost immediate impact on OPEC's current account balance. We estimate that OPEC was running a current account surplus in first-quarter 1981 of \$29 billion, with only Iraq in deficit. By the fourth quarter the OPEC surplus had fallen to just over \$1 billion, with seven countries in deficit. The cumulative surplus was about \$54 billion—\$46 billion in first-half 1981 and \$8 billion in the second half (see table 1).

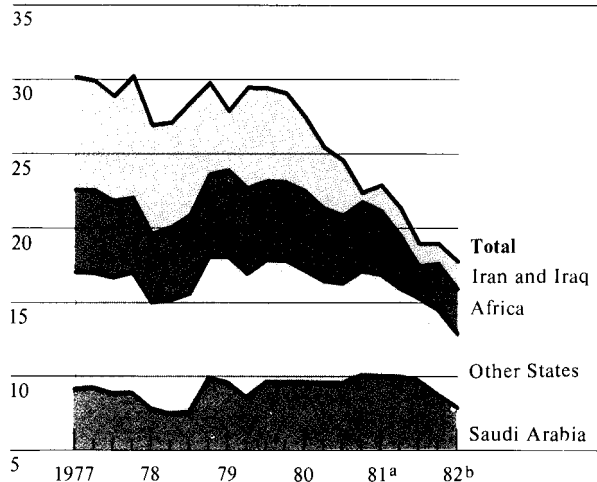
The decline in oil revenues during the second half of the year appeared to have little impact on imports. In fact, most of the OPEC countries took advantage of the appreciating dollar to maintain or increase import levels. In total, import volume rose by an estimated 23 percent while import prices (weighted by OPEC trade) fell by 3 percent.

- Iraq increased imports despite the war and a steep decline in export revenues. Government officials said in mid-1981 that \$22.5 billion would be invested in 1981 "war or no war," compared with \$50 billion invested during the previous five years.

Figure 1

OPEC: Quarterly Petroleum Exports

Million b/d



^aEstimated.

^bProjected.

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- After increases in oil revenues of 50 percent or more in 1980, Nigeria, Libya, and Algeria each instituted large-scale development plans; collectively, imports were up an estimated 25 percent.
- Saudi Arabia's import volume increased about 21 percent last year (nearly twice the rate we had earlier projected), indicating a strong commitment to its development plan.
- Only Iran decreased foreign purchases last year.

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Table 1

Billion US \$

OPEC: Current Account Balance ^a

	1974	1975	1976	1977	1978	1979	1980	1981 ^b	1982 ^c
Trade balance	80	49	60	57	37	103	164	115	68
Exports (f.o.b.)	118	108	132	146	140	211	295	271	241
Oil	112	102	124	137	130	196	278	254	221
Nonoil	6	6	8	9	11	15	17	17	20
Imports (f.o.b.)	38	59	71	89	103	108	131	156	172
Net services and private transfers	-9	-16	-24	-31	-38	-41	-49	-50	-58
Freight and insurance	-4	-8	-11	-13	-14	-15	-20	-24	-26
Investment income receipts	4	5	7	8	11	17	26	36	35
Other	-9	-13	-19	-26	-35	-44	-55	-62	-67
Grants	-5	-5	-4	-6	-5	-6	-8	-10	-11
Current account balance	66	29	33	21	-7	57	107	54	NEGL

^a Because of rounding, components may not add to the totals shown.^b Estimated.^c Projected.

Military shipments to OPEC last year increased by nearly 25 percent, to \$11 billion, led by Iraq, Saudi Arabia, Libya, and Algeria. The United States supplied about 15 percent of the total, most to Saudi Arabia. The West European and Communist countries roughly split the remaining business. The Communists provided arms primarily to Iraq, Libya, and Algeria. Western Europe's deliveries, about \$4 billion in 1981, went mainly to Saudi Arabia, Iraq, Nigeria, and Libya, with small amounts distributed among most of the other countries. Of special note were the threefold increase of deliveries to Algeria and the great success France had in delivering goods to Saudi Arabia and Iraq.

OPEC's official foreign assets increased by \$40 billion last year, to roughly \$335 billion, despite drawdowns of \$26 billion by eight deficit countries (see figure 2). Saudi Arabia's assets grew by \$48 billion, and Kuwait, Qatar, and the UAE collectively increased assets by \$18 billion. On the other hand, Iran's foreign holdings dropped by about \$10 billion as a result of declining oil revenues and Tehran's decision

to pay off some long-term debts after the hostage settlement; Libya's fell by \$4 billion and Nigeria's by \$7 billion because of their unwillingness to cut oil prices or reduce import growth. To help offset the drain on foreign exchange reserves, some OPEC states borrowed on the Eurocurrency market. A total of \$14 billion was borrowed from that market. Iraq raised another \$15 billion (September 1980 through December 1981) from its Arab neighbors in support of the war.

The Outlook for 1982

Sensitivity Factors

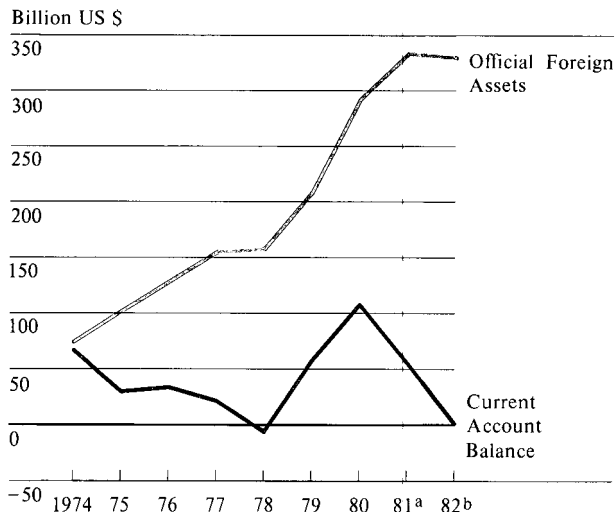
Forecasting national current account balances is risky even under stable conditions, because it requires precise projections of economic variables and political events that are subject to uncertainty. OPEC current account estimates are predicated on a number of interrelated forecasts of prices, production, demand, and growth, all of which are subject to sudden and

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Figure 2

OPEC: Assets and Current Account Balance

^aEstimated.^bProjected.

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large deviations. Even small deviations from the forecasts for oil export volume, commodity import volume, or oil prices result in large shifts in the overall balance. For instance:

- Each dollar change in the average oil price would change the current account by \$6.5 billion. For example, if the nominal price of oil fell to and remained at \$25 per barrel for the rest of this year, there would be a \$45 billion reduction in oil revenues.
- A change in oil export volume of 1 million b/d would change the balance by \$12 billion.
- Each 1-percentage point deviation in OPEC's import volume or import prices from our base estimate would change the current account by \$1.6 billion.
- Each 1-percentage point change in 1982 OECD GNP growth would alter demand for OPEC oil in 1982 by 700,000 b/d, worth about \$9 billion at current prices.

In estimating oil production, the Iran-Iraq war presents special problems because of the uncertainty about when it might end or what the impact of a wider conflict would be on neighboring countries (Kuwait and Saudi Arabia produced 46 percent of OPEC's crude in first-quarter 1982.) Putting Iran, Iraq, Saudi Arabia, and Kuwait aside, the other nine countries have 4 million b/d in excess capacity to draw on. Given the financial position of many of these countries, some may be tempted to produce as much as they can.

For the purpose of this 1982 assessment our assumptions are:

- The current nominal price of \$33.92 per barrel will hold for the remainder of the year.
- Oil consumption for non-Communist countries will total about 45 million b/d. Crude production will decline from the first-quarter average of 20 million b/d to the recently announced level of 17.5 million b/d for the second quarter. As inventory drawdowns end, demand for OPEC oil will pick up in the third or fourth quarter. Yearly average exports are projected at 17.8 million b/d.
- OPEC countries will consume the equivalent of 3.3 million b/d of oil.
- OECD real GNP growth will average 1 percent.

The Projection

The slide in oil demand and prices will drive the OPEC current account surplus down another \$55 billion or so this year to about zero. For the first time since 1978 oil revenues will fall short of the import costs of goods and services. Only higher investment income will offset the shortfall (see figure 3). While the current account positions of most OPEC countries will worsen, Saudi Arabia will absorb the bulk of the lost revenues (see table 2).¹ Considering the strong pressure for lower prices, deviations from these estimates are likely to result in further deterioration

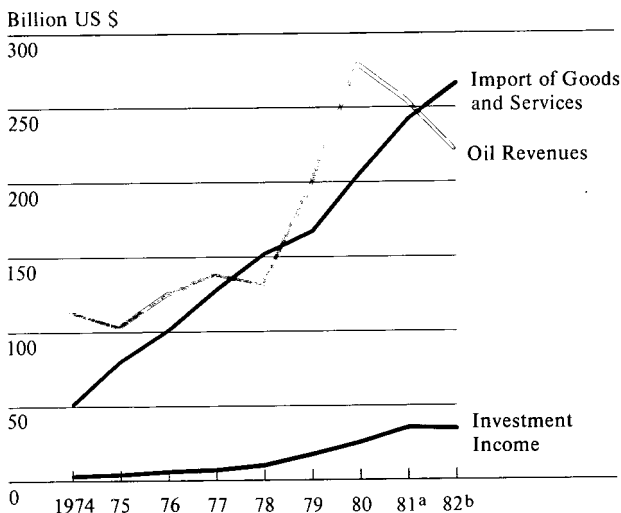
¹ See appendix for details on OPEC members current account balances.

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Figure 3

OPEC: Current Revenues and Expenditures



a Estimated.

b Projected.

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rather than less. Barring a dramatic price slide, however, we do not anticipate financing problems for any of the OPEC countries this year, except Nigeria.

Oil Export Earnings. Following increases averaging \$75 billion in 1979 and 1980, OPEC oil revenues fell \$24 billion last year. Revenues should fall by another \$33 billion this year to about \$220 billion (see table 3). We assume that Iran and Iraq will export about 2 million b/d in total—or about one-third more than in 1981—and that combined exports of other OPEC countries except Saudi Arabia will be slightly below 1981 levels (see table 4). For Saudi Arabia we assume that production for the year will average only 7.8 million b/d in order to balance OPEC supply with non-OPEC demand (see table 5).

Non-OPEC demand for oil imports is expected to be about 2.7 million b/d below last year because of increased non-OPEC energy supplies, inventory draw-downs, and continued slow growth in the OECD

economies. Given anticipated inventory changes, total oil sales by OPEC countries will be down roughly 2.7 million b/d from 1981, with almost all the net reduction coming from Saudi Arabia.

Although oil prices vary considerably among individual countries, mainly reflecting quality and transportation differentials, the first-quarter average official sales price for OPEC oil was \$34.08 per barrel, down about 1 percent from the 1981 average. The price actually realized by the OPEC countries, however, is slightly lower. After making allowances for transfers of oil under direct, equity, and buy-back arrangements, the weighted average price of oil realized in 1982 would be \$33.92 per barrel, down seven cents from last year (see table 6).

Nonoil Merchandise Exports. Nonoil exports of the OPEC countries in general continue to be an insignificant share of total foreign earnings. In 1981 they were \$17 billion, or about 6 percent of total merchandise export earnings; for 1982 we project OPEC nonoil exports at \$20 billion (see table 7). Nonoil exports are important for selected countries. For example, *Indonesia* will earn \$7.5 billion—one-third of its total export earnings—this year from the sale of liquefied natural gas, rubber, tin, wood, and coffee. Capacity limitations will keep Indonesia's liquefied natural gas export volume constant; at current prices LNG should generate \$2.1 billion in revenues. Recently negotiated higher gas prices will be the key factor boosting *Algeria's* nonoil exports to \$3.7 billion this year, while *Kuwait* and the *UAE* are rapidly expanding fertilizer exports.

Imports. We expect much slower growth in OPEC's merchandise imports this year—10 percent compared with 19 percent in 1981. Import volume should increase by only 8 percent. Most countries may want to slow expenditures even more, but that would be hard to do because of political and economic commitments to multiyear development plans just started last year or to begin this year. Import volume growth should remain positive for all countries except Nigeria (see tables 8 and 9). The 17-percent rise in the value of the dollar in 1981 (trade weighted by OPEC imports) was

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Table 2

Billion US \$

OPEC: Current Account Balance ^a

	1974	1975	1976	1977	1978	1979	1980	1981 ^b	1982 ^c
OPEC	66	29	33	21	-7	57	107	54	NEGL
Algeria	1	-2	-2	-4	-4	-2	2	-1	-1
Ecuador	NEGL	NEGL	NEGL	-1	-1	-1	NEGL	-1	-2
Gabon	NEGL	NEGL	NEGL	NEGL	NEGL	NEGL	1	NEGL	NEGL
Indonesia	1	-1	-1	NEGL	-1	2	5	3	-1
Iran	13	4	7	6	2	12	NEGL	-2	-3
Iraq	3	1	2	3	1	7	8	-17	-14
Kuwait	6	5	6	4	5	14	14	10	6
Libya	2	NEGL	2	2	NEGL	3	10	-3	-6
Nigeria	5	-1	-2	-3	-5	1	4	-7	-7
Qatar	1	1	1	1	1	2	4	4	4
Saudi Arabia	24	15	15	13	-1	14	47	55	21
UAE	4	3	4	2	2	4	9	9	4
Venezuela	6	2	NEGL	-3	-6	NEGL	5	5	-1

^a Because of roundings components, may not add to the totals shown.^b Estimated.^c Projected.

instrumental in negating the impact of OECD inflation on OPEC import costs. In 1982, inflation has slowed in the industrial countries, and the dollar has continued to appreciate. As a result, prices for OPEC imports should go up by only about 2 percent this year.

Saudi Arabian imports, the largest in OPEC, are expected to reach \$39 billion in 1982, up from \$34 billion last year. Almost all of Saudi foreign exchange receipts accrue to and are disbursed by the government. To the extent they are not spent by the public sector for purchases of foreign goods and services or held in the form of official foreign assets, they are injected into the income stream through government spending. Given the openness of the economy and the limited supply of domestically produced goods and services, a major part of private-sector income is translated quickly into demand for foreign goods and services.

In fiscal year 1982 (May 1981 through April 1982), the second year of the Third Five-Year Plan, government appropriations were up 32 percent over actual FY 1981 expenditures, and there were no major shifts in allocations. Infrastructure projects planned or under construction will go forward. The new industrial cities of Jubail and Yanbu continue to receive substantial funding. Expenditures on military and civil service salaries will increase substantially because of the new wage scales approved as part of a 60-percent increase in appropriations for public administration.

Expenditures have fallen short of budgetary projections, however. Shortfalls in government spending appeared in FY 1981 and, according to information from the Saudi Arabian Monetary Authority (SAMA), are continuing in the current fiscal year.

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Table 3

Billion US \$

OPEC: Oil Export Earnings ^a

	1974	1975	1976	1977	1978	1979	1980	1981 ^b	1982 ^c
OPEC	112	102	124	137	130	196	278	254	221
Algeria	5	4	5	6	6	9	15	12	13
Ecuador	1	1	1	1	1	1	2	2	1
Gabon	1	1	1	1	1	1	2	2	2
Indonesia	4	4	5	6	6	8	13	15	13
Iran	21	19	23	23	21	20	13	11	11
Iraq	7	9	10	11	11	22	25	11	16
Kuwait	9	8	9	8	9	17	18	14	11
Libya	7	6	9	10	10	15	23	16	14
Nigeria	9	7	9	10	9	16	24	17	17
Qatar	2	2	2	2	2	4	5	6	5
Saudi Arabia	30	27	35	40	37	58	99	111	85
UAE	7	6	8	9	8	12	19	19	15
Venezuela	10	8	9	9	9	13	20	21	17

^a Because of rounding, components may not add to the totals shown.^b Estimated.^c Projected.

Some observers have speculated that this may represent the beginning of a slowdown in the rapid pace of development, an event welcomed by many Saudis concerned about protecting the social order. At the same time, continuing structural problems, such as domestic labor shortages, can be used to justify slower growth to the more liberal technocrats who favor rapid development.

Kuwait's import volume growth is expected to slow from last year's rate of 13 percent to roughly 10 percent this year. Excluding additions to special reserve accounts and a capital contribution to the Kuwait Fund for Arab Economic Development, budget expenditures for FY 1982 (July 1981 through June 1982) are to increase to \$11 billion, only 14 percent over the previous year. Development expenditures are also to rise 14 percent this year, down from 22 percent in FY 1981. The government attributes this to shortfalls in domestic land purchases and project implementation, and to administrative delays

in procurement of equipment from abroad. Kuwait continues to spend its oil revenues prudently and will only proceed with projects that can be absorbed by the local economy.

Nigeria was forced to impose a temporary moratorium on new import licenses in late March to counter dwindling oil revenues and financial reserves. Foreign reserves fell from \$10 billion at the beginning of 1981 to only \$3.9 billion by yearend. Permanent import constraints are likely to be enacted, and thus we expect no real increase in foreign purchases this year, down from a 26-percent hike last year. The 1982 budget reflects the government's goal of reorienting public and private investment away from import-intensive projects into agriculture and smaller manufacturing plants relying on domestic resources. The effects of the long neglect of these sectors will not be reversed in the short term, however. The 1982 budget

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Table 4

Thousand b/d

OPEC: Oil Export Volume

	1974	1975	1976	1977	1978	1979	1980	1981	1982 ^a
OPEC	29,451	25,904	29,250	29,763	28,053	28,951	25,027	20,510	17,841
Algeria	949	955	1,004	1,081	1,173	1,168	1,083	846	933
Ecuador	142	122	141	134	146	148	147	130	110
Gabon	191	218	216	210	201	196	164	137	138
Indonesia	1,163	1,084	1,269	1,398	1,333	1,269	1,228	1,212	1,051
Iran	5,618	4,923	5,399	5,116	4,654	2,486	1,103	828	903
Iraq	1,880	2,169	2,317	2,400	2,357	3,260	2,312	779	1,191
Kuwait	2,505	2,042	2,093	1,922	2,060	2,497	1,678	1,065	968
Libya	1,503	1,454	1,919	2,038	1,941	2,019	1,742	1,043	1,072
Nigeria	2,199	1,716	1,958	1,969	1,750	2,146	1,852	1,206	1,328
Qatar	522	446	499	442	478	506	474	408	379
Saudi Arabia	8,304	6,965	8,418	9,036	8,187	9,344	9,685	9,615	7,164
UAE	1,673	1,639	1,904	1,967	1,817	1,798	1,663	1,463	1,201
Venezuela	2,802	2,171	2,113	2,050	1,956	2,114	1,896	1,778	1,403

^a Projected.

message by President Shagari was an appeal to restrain hard currency outflows, but observers are concerned about the inability of policymakers to agree on a sound strategy to counter the coming economic problems. Senior officials will probably continue to preach austerity, reserves will decline another billion or two, and foreign borrowing will exceed last year's \$3 billion level. Some large projects will be delayed and others dropped, such as the multibillion-dollar Bonny LNG project.

Algeria's revenue position should also severely constrain import growth in 1982. Under the 1980-84 Development Plan (approved in late 1980), the government is shifting investment away from heavy industry and hydrocarbons to housing, agriculture, and infrastructure projects. It intends to ease restraints on imports of consumer goods to counter growing shortages. The Plan also envisages splitting the country's large industrial conglomerates into smaller companies. These policy changes will probably lead to delays in deciding how much foreign exchange should be

spent and, coupled with another current account deficit, should slow import volume growth to about 8 percent this year, down from last year's 17 percent.

Libya's financial squeeze has already led to cutbacks in development spending. Tripoli's 1981-85 Development Plan calls for average expenditures of \$12.5 billion annually, but only \$9.3 billion was reportedly spent last year. Moreover, Libya apparently has been forced to reduce this year's development budget 5 percent below last year's expenditure level. Though details are lacking, all sector allocations are expected to be less than in 1981 except for communications and marine transport. As a result, Libya's imports should increase only 4 percent in volume this year. Several major projects requiring substantial amounts of foreign equipment are likely to be delayed: the Ras Lanuf petrochemical complex and the Misurata iron and steel works; the step-up in production of liquefied petroleum gas; and the expansion of port capacity from 7-16 million tons annually.

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Table 5

Thousand b/d

OPEC: Oil Production ^a

	1974	1975	1976	1977	1978	1979	1980	1981	1982 ^b
OPEC	31,060	27,545	31,165	31,890	30,325	31,469	27,831	23,475	21,129
Algeria	1,010	1,025	1,085	1,170	1,265	1,275	1,203	977	1,075
Ecuador	175	160	185	185	205	215	222	212	200
Gabon	200	225	225	220	210	205	175	148	150
Indonesia	1,375	1,305	1,515	1,695	1,665	1,630	1,625	1,660	1,550
Iran	6,065	5,395	5,930	5,705	5,245	3,045	1,674	1,349	1,535
Iraq	1,970	2,260	2,415	2,500	2,520	3,445	2,526	1,006	1,431
Kuwait	2,595	2,135	2,195	2,025	2,170	2,622	1,804	1,199	1,110
Libya	1,540	1,505	1,975	2,105	2,015	2,105	1,834	1,143	1,180
Nigeria	2,255	1,785	2,070	2,085	1,895	2,305	2,057	1,432	1,575
Qatar	525	450	505	450	485	515	484	419	391
Saudi Arabia	8,610	7,215	8,760	9,415	8,545	9,807	10,220	10,199	7,797
UAE	1,680	1,665	1,935	2,015	1,860	1,865	1,745	1,552	1,297
Venezuela	3,060	2,420	2,370	2,320	2,245	2,435	2,262	2,179	1,838

^a Includes natural gas liquid.^b Projected.

Iraq has made every effort to keep its 1981-85 Development Plan on track and currently is working to finish many showcase projects in time for the nonaligned conference, which Baghdad will host in September. So far, Iraqi imports have been propped up by some \$20 billion in loans from Saudi Arabia, Kuwait, Qatar, and the UAE. As a result, Iraq increased imports last year despite the war and a steep decline in export revenues. While help is likely to continue, some Arab supporters are wearying of the cost of the war.

Even under the best of circumstances, Baghdad will run another large current account deficit this year. Faced with the prospect of having to draw heavily on foreign reserves, Baghdad is beginning to slow down selected parts of developmental spending and is reducing its bilateral and multilateral aid contributions. Foreign firms have told their embassies that some projects are now running 30 to 40 percent behind schedule because their Iraqi clients are failing to take

action that would enable the projects to proceed.

European suppliers have been told that orders for new consumer goods for Iraq's state-owned retail outlets will be suspended entirely for the first six months of 1982. If consumer goods imports are radically cut while military and showcase projects go forward, there may be very little real growth in import volume this year.

Iran's import volume should grow by 5 percent this year even if the war continues, mainly because imports were at rock bottom level in 1981. If the war ends and Iran can capture a larger share of the oil market, imports would grow faster because depleted consumer and military stocks would be replenished and capital goods would be purchased for reconstruction.

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Table 6

US \$ Per Barrel

OPEC: Average Price of Oil ^a

	1974	1975	1976	1977	1978	1979	1980	1981	1982 ^b
OPEC	10.40	10.77	11.55	12.62	12.68	18.59	30.30	33.99	33.92
Algeria	13.64	12.14	13.05	14.36	14.14	20.73	37.51	39.53	37.07
Ecuador	10.89	10.64	10.71	12.47	11.93	20.46	33.99	34.23	32.26
Gabon	7.94	9.78	10.46	11.48	11.27	14.77	27.26	30.48	29.71
Indonesia	9.96	10.75	11.00	12.25	12.25	17.07	29.27	33.69	33.71
Iran	10.13	10.71	11.41	12.57	12.51	22.36	32.04	36.79	30.00
Iraq	10.15	10.81	11.64	12.74	12.72	18.69	29.63	37.20	35.00
Kuwait	9.48	10.35	11.18	12.12	12.23	18.37	30.06	35.01	32.06
Libya	12.56	11.59	12.32	13.87	13.69	20.75	35.70	41.22	36.72
Nigeria	11.13	11.39	12.66	14.08	13.61	20.26	34.99	37.93	35.95
Qatar	10.20	11.00	11.70	12.89	12.91	19.75	31.40	36.93	35.27
Saudi Arabia	10.03	10.50	11.29	12.04	12.33	16.94	28.00	31.55	32.66
UAE	11.45	10.84	11.59	12.43	12.77	19.09	30.69	35.52	34.55
Venezuela	9.93	10.53	11.17	12.59	12.61	17.11	28.47	32.86	32.88

^a An average price weighted by the volume of direct, buy-back, and equity sales arrangements.

^b Projected. Based on prices in effect prior to the 19-20 March 1982 OPEC meeting.

Tight control of foreign exchange spending will be maintained in the current Iranian fiscal year which began 21 March. Imports this year are to be limited to essential armaments, foodstuffs, and capital goods; private-sector imports will be almost totally banned. Tehran's goal is to reduce monthly foreign exchange expenditures for merchandise to \$900 million (\$600 million nonmilitary and \$300 million military). The Iranians are also attempting to reduce hard currency spending by expanding barter arrangements. They currently conduct substantial barter trade with Eastern Bloc countries for refined oil products, machinery, and tools and with North Korea for armaments.

Aside from Iran, *Indonesia* is the only OPEC member likely to have faster growth in imports this year than last. Even though the government faces revenue constraints for the first time in three years and is likely to run a small current account deficit, it plans continued growth in development expenditures during FY

1982/83 (April 1982 through March 1983). Overall expenditures are projected to grow only 12 percent in FY 1982/83 as opposed to 32 percent and 52 percent in the previous two fiscal years. By cutting oil and food subsidies and not raising military and civil service pay, the government expects to decrease non-development expenditures by 7 percent. Those portions of development spending—communications, transportation, energy, defense, and industry—that contain a fairly large import component are projected to grow by 28 percent. More than \$10 billion worth of industrial expansion is planned over the next few years, with priority directed toward development of nonoil energy sources—gas, coal, hydro, and geothermal. In an effort to spur nonoil exports, Jakarta has announced that foreign firms awarded government contracts must export Indonesian goods equivalent in value to their contracts.

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Table 7

Billion US \$

OPEC: Nonoil Export Earnings ^a

	1974	1975	1976	1977	1978	1979	1980	1981 ^b	1982 ^c
OPEC	6.5	6.5	8.1	9.3	10.6	14.9	17.2	16.7	20.3
Algeria	0.6	0.6	0.5	0.3	0.5	0.7	1.1	2.1	3.7
Ecuador	0.4	0.4	0.6	0.8	1.0	1.2	1.0	0.8	1.0
Gabon	0.2	0.3	0.3	0.4	0.4	0.5	0.6	0.6	0.6
Indonesia	2.2	1.8	2.5	3.6	4.2	6.9	8.4	6.4	7.5
Iran	0.8	0.8	0.9	0.7	0.4	0.8	0.6	0.5	0.7
Iraq	0.1	0.1	0.2	0.1	0.2	0.2	0.1	0.2	0.2
Kuwait	0.4	0.6	0.7	0.8	0.8	1.1	1.5	1.7	1.8
Libya	NEGL	NEGL	NEGL	NEGL	NEGL	NEGL	NEGL	NEGL	NEGL
Nigeria	0.7	0.6	0.7	0.8	1.0	1.1	1.0	1.3	1.4
Qatar	NEGL	0.1	0.3	0.3	0.3	0.3	0.4	0.4	0.4
Saudi Arabia	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2
UAE	0.4	0.6	0.8	1.0	1.1	1.2	1.3	1.4	1.6
Venezuela	0.5	0.5	0.5	0.4	0.5	0.7	1.0	1.1	1.2

^a Because of rounding, components may not add to the totals shown.^b Estimated.^c Projected.

In *Venezuela* real GNP is expected to be up 2 percent in 1982, compared with near zero growth last year. Import growth will probably be held again to 10 percent in real terms, however, to limit the negative effects of more rapid development and to hold down the current account deficit. Most of the additional purchases will be consumer goods; capital goods imports are projected to grow more slowly because new investment projects are less capital intensive and because the government's foreign investment policies are not yet clear. Another factor that should hold down import growth is the recently enacted (effective 1 January 1982) "buy Venezuela" decree. The government also wants to reverse the recent trend toward capital outflow by making domestic investment more attractive. This tendency by the government to focus only on the short term, however, postpones the day when domestic firms' lack of competitiveness will have to be faced.

The *UAE's* import volume growth is expected to hold to the level of last year, about 10 percent. After two years of trying, the Emirates finally came up with a comprehensive Five-Year Development Plan (1981-85) in mid-1981. The Plan focuses on developing human resources, but the UAE will still have to import a substantial number of foreign workers for several power and water projects. The pace of development will be uneven among the Emirates; Abu Dhabi will increase foreign expenditures the most, while Dubai may have little or no growth in imports this year. In Dubai the slowdown seems to stem from an oversupply of goods brought about by overestimating domestic demand and reexport trade with Iran, which has dwindled to nearly nothing.

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Table 8

Billion US \$

OPEC: Imports (f.o.b.)^a

	1974	1975	1976	1977	1978	1979	1980	1981 ^b	1982 ^c
OPEC	38	59	71	89	103	108	131	156	172
Algeria	4	6	5	7	8	8	10	11	12
Ecuador	1	1	1	1	2	2	2	2	3
Gabon	NEGL	1	1	1	1	1	1	1	1
Indonesia	5	6	7	8	8	9	13	14	16
Iran	7	13	14	16	16	8	11	10	11
Iraq	4	6	6	6	7	12	13	20	21
Kuwait	2	2	3	4	5	5	7	8	9
Libya	4	5	5	6	7	9	10	15	16
Nigeria	2	6	8	10	12	12	16	19	19
Qatar	NEGL	1	1	1	1	1	1	1	2
Saudi Arabia	4	6	10	15	20	24	28	34	39
UAE	2	3	3	4	5	7	8	8	9
Venezuela	4	6	7	10	11	10	11	13	14

^a Because of rounding, components may not add to the totals shown.^b Estimated.^c Projected.

Net Services and Private Transfers. Net services and private transfers—important capital outflows in the OPEC current account—are projected to rise about 15 percent in 1982. During the last two years, rapid growth in investment income offset the increase in the cost of freight and insurance caused by the war in the Persian Gulf as well as nearly half of the increase in other service outflows. Two factors are primarily responsible for the predicted overall growth in service and transfer expenditures: investment income (the only major positive subcomponent in this category) is expected to stagnate as money for new investments dwindles and interest rates trend downward; contract-related service charges should grow more slowly because of the cutbacks in development spending by some OPEC countries.

Investment income grew rapidly as the OPEC surpluses mounted. The cumulative current account surplus during 1974-81 amounted to \$360 billion, much of which was put into income-earning investment (as

distinct from investment for appreciation such as gold and real estate). OPEC investments are largely held by Kuwait, Saudi Arabia, and the UAE, which emphasize safety and rate of return. For these three countries, earnings on investments are the equivalent of about 75 percent, 40 percent, and 40 percent, respectively, of their 1982 merchandise imports (see table 10).

OPEC freight and insurance payments generally have been declining as a percent of total imports because of improved shipping and docking facilities, particularly in Nigeria and Saudi Arabia. Last year and again this year, however, the anticipated gains should be more than offset by the higher costs of transporting goods to ports in the upper Persian Gulf. Iran's freight bill has been carrying a larger premium since November

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Table 9

Percent Change From Previous Year

OPEC: Import Volume Growth

	1974	1975	1976	1977	1978	1979	1980	1981 ^a	1982 ^b
OPEC	48	41	21	15	1	-8	7	23	8
Algeria	52	20	-5	31	-5	-13	11	17	8
Ecuador	72	4	11	17	9	9	-5	5	5
Gabon	30	44	9	-4	-22	-13	7	20	10
Indonesia	47	11	24	1	-4	1	23	10	13
Iran	44	64	6	3	-9	-57	19	-3	5
Iraq	154	58	-5	-2	3	43	-4	63	4
Kuwait	4	38	36	29	-9	-6	22	13	10
Libya	65	18	13	3	6	17	-6	55	4
Nigeria	10	98	39	16	3	-12	18	26	0
Qatar	15	63	70	19	-18	4	-19	12	10
Saudi Arabia	64	48	73	31	19	3	7	21	15
UAE	70	45	27	21	-1	15	2	11	10
Venezuela	20	26	31	31	-1	-21	1	10	10

^a Estimated.^b Projected.

1979. Freight and insurance charges for the other Gulf states were largely unaffected until the war began in the fall of 1980 but have increased enough to raise total OPEC charges by 5 percent this year.

The other major outflows—service contracts and worker remittances—are heavily influenced by Saudi Arabia, which accounted for two-fifths of the total in 1981. Although Saudi policy is to limit growth of the estimated 1.5-million-person pool of foreign manpower, payments for service contracts and wages will increase roughly 10 percent again this year. Service payments for the rest of OPEC will increase only slightly. Assuming no substantial war-related reconstruction, OPEC service contract expenditures in total should rise by about 8 percent.

Grants. We estimate OPEC grants will increase slightly this year, to \$11 billion, because of previous commitments. Almost all of the \$49 billion in bilateral economic and military grants disbursed by OPEC member states since the beginning of 1974 have been

provided by Saudi Arabia, Kuwait, and the UAE whose surplus funds are shrinking. Iraq has said it would honor outstanding aid commitments but would make no new ones this year. The 1978 Baghdad Agreement calls for a total of \$3.5 billion in grant aid annually through 1988 for Syria, Jordan, the West Bank, Gaza, and the Palestine Liberation Organization. Saudi Arabia, Kuwait, Iraq, the UAE, Algeria, Libya, and Qatar all share the cost, but Saudi Arabia leads the way with \$1 billion annually.

The Outlook for 1983 and Beyond

A soft oil market will continue to strain OPEC for at least the next two years. The economic recovery in the industrial countries is expected to be slow in starting and moderate in strength. Demand for OPEC oil will not be much higher in 1983 and 1984 than in 1982. Not until 1985 is higher demand likely to put upward pressure on prices.

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Table 10

Billion US \$

OPEC: Net Investment Income Receipts ^a

	1974	1975	1976	1977	1978	1979	1980	1981 ^b	1982 ^c
OPEC	4.4	5.0	6.6	8.4	11.0	17.5	26.0	36.4	35.2
Algeria	0.1	0.1	0.1	0.2	0.2	0.4	0.7	0.8	0.6
Ecuador	NEGL	NEGL	NEGL	NEGL	0.1	0.1	0.1	0.1	NEGL
Gabon	NEGL	NEGL	NEGL	NEGL	NEGL	NEGL	NEGL	NEGL	NEGL
Indonesia	0.1	0.1	0.1	0.1	0.2	0.3	0.5	0.9	0.9
Iran	0.5	0.6	0.8	1.0	1.3	2.1	2.0	1.2	0.9
Iraq	0.2	0.2	0.2	0.4	0.6	1.3	2.7	3.5	2.4
Kuwait	0.8	0.7	1.0	1.3	1.8	3.2	5.1	6.7	6.6
Libya	0.3	0.2	0.2	0.3	0.5	0.7	1.3	1.7	1.1
Nigeria	0.3	0.3	0.3	0.3	0.2	0.3	0.8	0.9	0.2
Qatar	0.1	0.1	0.2	0.2	0.3	0.5	0.9	1.4	1.6
Saudi Arabia	1.2	1.7	2.6	3.3	4.1	5.8	8.1	13.7	15.3
UAE	0.3	0.3	0.5	0.7	1.0	1.6	2.4	3.5	3.7
Venezuela	0.5	0.5	0.6	0.6	0.7	1.1	1.5	1.8	1.8

^a Because of rounding, components may not add to the totals shown.^b Estimated.^c Projected.

OPEC members demonstrated the willingness to act as a cartel for the first time just last month by agreeing on a production-rationing scheme to combat the slide in oil prices. But, their resolve will be tested over and over again during coming months as already financially strapped members such as Iran, Nigeria, and Libya are tempted to cut prices to shore up sagging oil revenues. The pressure on the Saudis to absorb additional production cuts will be immense.

If OPEC can hang together as a cohesive unit through 1982 and into 1983, it should be able to hold nominal prices constant at current levels. Even so, the aggregate current account for 1983 could be in deficit by over \$15 billion—and by \$40 billion in 1984—unless stiff measures are taken to curb imports (see table 11). All of the OPEC countries, including Saudi Arabia, may be drawing on assets or borrowing either to finance current account deficits or capital outflows.

In the event that OPEC acts as a cartel, it could have the opportunity to unilaterally correct its problems. If the members can adhere to production cuts to stabilize prices, it is possible that those prices could be gradually increased even without demand pressures. A 20-percent increase in nominal prices between now and yearend 1983 would balance the OPEC current account in 1984 with import growth slowing only slightly. Some countries—Algeria, Nigeria, Indonesia, Libya, and Iraq—would still be financially constrained, but the pressures would be significantly reduced for the others.

Under any plausible price scenario most OPEC countries will need to adjust policies during 1983-84 to deal with foreign financing constraints. The choices

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Table 11

Billion US \$

**OPEC: Impact of Constant Oil Prices
on the Current Account Balance**

	Scenario I ^a		Scenario II ^b	
	1983	1984	1983	1984
OPEC	-17	-40	-8	-22
Algeria	-1	-4	NEGL	-1
Ecuador	-1	-2	-1	-1
Gabon	1	1	1	1
Indonesia	-3	-5	-2	-3
Iran	NEGL	-3	1	-1
Iraq	-15	-8	-14	-5
Kuwait	5	4	5	4
Libya	-2	-5	-1	-3
Nigeria	-5	-8	-4	-5
Qatar	4	4	4	4
Saudi Arabia	1	-8	1	-8
UAE	NEGL	-2	NEGL	-2
Venezuela	-1	-4	NEGL	-2

^a Constant nominal oil prices; import volume continues to grow at or slightly below projected 1982 rates.

^b Constant nominal oil prices; import growth held to zero if the current account is in deficit the preceding year.

will be even more painful—and of course more immediate—if OPEC unity collapses and oil prices spiral downward over the next few months:

- The situation is already perilous in Nigeria, where foreign reserves are falling rapidly. Foreign banks will not cover the country's projected \$7 billion current account deficit this year, forcing Lagos to adopt stringent austerity measures. President Shagari, however, will be reluctant to implement such measures fearing that they might jeopardize his prospects for reelection in mid-1983.
- *Iraq* would face severe problems if aid from its Arab neighbors dries up. A large loss of revenues would require a drastic slash in imports, significantly reducing the Iraqi standard of living. President Saddam Hussein's credibility has already been shaken by the war, and the stability of his regime is imperiled.

- *Libya* would be forced to trim military spending if it wanted to support the current standard of living. That may be necessary in order for Qadhafi to prevent further disaffection among the middle class.

- In *Indonesia, Algeria, and Venezuela*, lower revenue would force sharp cuts in either development programs, imports, or economic growth. All have fairly large or growing foreign debts and only moderate reserves. Choices would have to be made between social welfare or industrial development. In all cases, there could be threats to incumbent regimes and perhaps to civil order.

Even Saudi Arabia would be in deficit by 1984 if oil prices did not rise and imports were not cut substantially. Kuwait could still manage to run a small surplus but would have to dip into reserves to meet all its financial obligations:

- *Saudi Arabian* leaders would almost certainly order cuts in the development budget and defense outlays long before they would touch social programs and subsidies on food and housing. While some foreign aid may also be cut, the Saudis would probably continue to meet aid commitments to the Arab Frontline States, provide smaller loans to Iraq, and extend some aid to a few select allies such as Morocco and Pakistan whose survival the Saudis regard as vital to their own security. The Saudis have a large enough foreign exchange cushion so they would not have to make deep or immediate across-the-board cuts even if oil prices continued to decline. The Saudis might even turn to foreign credit markets before launching a severe austerity program.

- *Kuwait* has already begun to study possible budget cuts in anticipation of falling oil revenues. Government expenditures could be reduced by \$1 billion or so without significantly affecting the domestic economy. Beyond that, the Kuwaitis would likely dip into reserves if necessary. The ruling family would be reluctant to drastically reduce subsidies for fear of triggering unrest among the large foreign community. Nor would they want to cut aid to the radical Arab regimes because of their deep-seated concern over Kuwaiti security.

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Appendix

OPEC: Current Account Balance

Table A-1

Billion US \$

Algeria: Current Account ^a

	1974	1975	1976	1977	1978	1979	1980	1981 ^b	1982 ^c
Trade balance	1.2	-0.7	NEGL	-1.6	-1.6	1.3	5.6	3.1	4.0
Exports (f.o.b.)	5.3	4.9	5.3	5.9	6.6	9.5	15.9	15.4	16.3
Oil	4.7	4.2	4.8	5.7	6.1	8.8	14.9	12.2	12.6
Nonoil	0.6	0.6	0.5	0.3	0.5	0.7	1.1	2.1	3.7
Imports (f.o.b.)	4.1	5.6	5.3	7.5	8.2	8.2	10.3	11.2	12.3
Net services and private transfers	-0.5	-0.8	-1.6	-2.4	-2.8	-3.2	-3.9	-4.2	-5.1
Freight and insurance	-0.4	-0.7	-0.6	-0.9	-1.0	-1.0	-1.2	-1.3	-1.5
Investment income receipts	0.1	0.1	0.1	0.2	0.2	0.4	0.7	0.8	0.6
Other	-0.2	-0.3	-1.1	-1.7	-2.0	-2.7	-3.3	-3.7	-4.2
Grants	-0.1	NEGL	NEGL	NEGL	NEGL	-0.1	-0.1	-0.1	-0.1
Current account balance	0.6	-1.6	-1.6	-4.0	-4.4	-2.1	1.6	-1.3	-1.2

^a Because of rounding, components may not add to the totals shown.^b Estimated.^c Projected.

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Table A-2

Billion US \$

Ecuador: Current Account ^a

	1974	1975	1976	1977	1978	1979	1980	1981 ^b	1982 ^c
Trade balance	0.1	-0.1	NEGL	NEGL	-0.1	0.2	0.6	0.1	-0.2
Exports (f.o.b.)	1.0	0.9	1.1	1.4	1.6	2.3	2.8	2.4	2.3
Oil	0.6	0.5	0.6	0.6	0.6	1.1	1.8	1.6	1.3
Nonoil	0.4	0.4	0.6	0.8	1.0	1.2	1.0	0.8	1.0
Imports (f.o.b.)	0.9	1.0	1.1	1.4	1.7	2.1	2.2	2.4	2.5
Net services and private transfers	-0.2	-0.3	-0.3	-0.4	-0.5	-0.7	-0.8	-1.0	-1.2
Freight and insurance	-0.1	-0.1	-0.1	-0.2	-0.2	-0.3	-0.3	-0.3	-0.3
Investment income receipts	NEGL	NEGL	NEGL	NEGL	0.1	0.1	0.1	0.1	NEGL
Other	-0.1	-0.2	-0.2	-0.3	-0.3	-0.5	-0.7	-0.8	-0.9
Grants	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current account balance	-0.1	-0.4	-0.3	-0.5	-0.5	-0.5	-0.2	-0.9	-1.5

^a Because of rounding, components may not add to the totals shown.^b Estimated.^c Projected.

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Table A-3

Billion US \$

Gabon: Current Account ^a

	1974	1975	1976	1977	1978	1979	1980	1981 ^b	1982 ^c
Trade balance	0.4	0.5	0.5	0.6	0.6	1.0	1.5	1.3	1.2
Exports (f.o.b.)	0.8	1.1	1.1	1.3	1.2	1.6	2.2	2.1	2.1
Oil	0.6	0.8	0.8	0.9	0.8	1.1	1.6	1.5	1.5
Nonoil	0.2	0.3	0.3	0.4	0.4	0.5	0.6	0.6	0.6
Imports (f.o.b.)	0.4	0.6	0.6	0.7	0.6	0.6	0.7	0.8	0.9
Net services and private transfers	-0.3	-0.5	-0.6	-0.6	-0.6	-0.9	-1.0	-1.1	-1.2
Freight and insurance	NEGL	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Investment income receipts	NEGL	NEGL	NEGL	NEGL	NEGL	NEGL	NEGL	NEGL	NEGL
Other	-0.3	-0.4	-0.5	-0.5	-0.5	-0.8	-0.9	-1.0	-1.1
Grants	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current account balance	0.2	NEGL	NEGL	0.1	0.1	0.2	0.6	0.3	0.1

^a Because of rounding, components may not add to the totals shown.^b Estimated.^c Projected.

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Table A-4

Billion US \$

Indonesia: Current Account ^a

	1974	1975	1976	1977	1978	1979	1980	1981 ^b	1982 ^c
Trade balance	1.8	0.6	0.8	2.3	1.8	5.6	9.0	7.3	4.3
Exports (f.o.b.)	6.4	6.1	7.6	9.8	10.2	14.8	21.6	21.3	20.4
Oil	4.2	4.3	5.1	6.2	6.0	7.9	13.2	14.9	12.9
Nonoil	2.2	1.8	2.5	3.6	4.2	6.9	8.4	6.4	7.5
Imports (f.o.b.)	4.6	5.5	6.8	7.5	8.4	9.2	12.6	14.0	16.2
Net services and private transfers	-1.1	-1.6	-2.2	-2.5	-3.0	-3.5	-3.9	-4.3	-5.1
Freight and insurance	-0.6	-0.7	-0.9	-1.0	-1.0	-1.1	-1.5	-1.7	-1.9
Investment income receipts	0.1	0.1	0.1	0.1	0.2	0.3	0.5	0.9	0.9
Other	-0.6	-0.9	-1.4	-1.6	-2.2	-2.7	-3.0	-3.5	-4.1
Grants	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current account balance	0.7	-0.9	-1.3	-0.1	-1.2	2.1	5.1	3.1	-0.8

^a Because of rounding, components may not add to the totals shown.^b Estimated.^c Projected.

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Table A-5

Billion US \$

Iran: Current Account ^a

	1974	1975	1976	1977	1978	1979	1980	1981 ^b	1982 ^c
Trade balance	14.4	6.9	9.5	8.7	5.5	13.1	2.7	1.6	1.0
Exports (f.o.b.)	21.6	20.0	23.4	24.2	21.7	21.1	13.5	11.6	11.8
Oil	20.8	19.3	22.5	23.5	21.2	20.3	12.9	11.1	11.1
Nonoil	0.8	0.8	0.9	0.7	0.4	0.8	0.6	0.5	0.7
Imports (f.o.b.)	7.2	13.1	13.9	15.5	16.2	8.0	10.8	10.0	10.7
Net services and private transfers	-1.3	-2.5	-2.5	-2.8	-3.2	-1.0	-2.7	-3.7	-3.7
Freight and insurance	-0.9	-1.8	-1.9	-1.8	-2.2	-1.1	-2.7	-3.0	-2.7
Investment income receipts	0.5	0.6	0.8	1.0	1.3	2.1	2.0	1.2	0.9
Other	-0.9	-1.3	-1.4	-1.9	-2.4	-2.0	-2.0	-1.9	-1.9
Grants	-0.1	NEGL	NEGL	NEGL	NEGL	NEGL	NEGL	NEGL	NEGL
Current account balance	13.0	4.4	6.9	5.9	2.3	12.1	NEGL	-2.1	-2.6

^a Because of rounding, components may not add to the totals shown.^b Estimated.^c Projected.

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Table A-6

Billion US \$

Iraq: Current Account ^a

	1974	1975	1976	1977	1978	1979	1980	1981 ^a	1982 ^b
Trade balance	3.6	2.6	4.2	5.1	3.8	10.6	12.4	-9.5	-5.3
Exports (f.o.b.)	7.1	8.7	10.0	11.3	11.2	22.4	25.2	10.8	16.2
Oil	7.0	8.6	9.9	11.2	10.9	22.2	25.1	10.6	16.0
Nonoil	0.1	0.1	0.2	0.1	0.2	0.2	0.1	0.2	0.2
Imports (f.o.b.)	3.5	6.1	5.8	6.2	7.4	11.9	12.8	20.3	21.5
Net services and private transfers	-0.7	-1.2	-1.8	-2.1	-2.2	-2.6	-3.2	-5.7	-6.7
Freight and insurance	-0.4	-0.9	-0.9	-1.0	-1.2	-1.8	-2.0	-4.1	-3.9
Investment income receipts	0.2	0.2	0.2	0.4	0.6	1.3	2.7	3.5	2.4
Other	-0.5	-0.4	-1.2	-1.5	-1.7	-2.1	-3.9	-5.2	-5.2
Grants	-0.1	-0.2	NEGL	NEGL	-0.2	-0.5	-1.7	-2.0	-1.7
Current account balance	2.8	1.2	2.4	3.0	1.3	7.4	7.6	-17.3	-13.7

^a Because of rounding, components may not add to the totals shown.^b Estimated.^c Projected.

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Table A-7

Billion US \$

Kuwait: Current Account ^a

	1974	1975	1976	1977	1978	1979	1980	1981 ^b	1982 ^c
Trade balance	7.5	6.0	6.1	4.8	5.3	12.8	13.1	7.5	4.4
Exports (f.o.b.)	9.1	8.3	9.3	9.3	10.0	17.8	20.0	15.3	13.1
Oil	8.7	7.7	8.6	8.5	9.2	16.7	18.5	13.6	11.3
Nonoil	0.4	0.6	0.7	0.8	0.8	1.1	1.5	1.7	1.8
Imports (f.o.b.)	1.6	2.3	3.2	4.5	4.7	5.0	6.9	7.8	8.8
Net services and private transfers	0.3	NEGL	0.2	0.1	0.1	1.5	2.4	3.5	3.1
Freight and insurance	-0.2	-0.3	-0.4	-0.7	-0.6	-0.7	-1.0	-1.2	-1.2
Investment income receipts	0.8	0.7	1.0	1.3	1.8	3.2	5.1	6.7	6.6
Other	-0.3	-0.4	-0.4	-0.5	-1.0	-1.0	-1.7	-2.0	-2.3
Grants	-1.5	-0.7	-0.2	-0.7	-0.8	-0.9	-1.2	-1.4	-1.6
Current account balance	6.3	5.3	6.1	4.2	4.6	13.5	14.3	9.7	5.9

^a Because of rounding, components may not add to the totals shown.^b Estimated.^c Projected.

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Table A-8

Billion US \$

Libya: Current Account ^a

	1974	1975	1976	1977	1978	1979	1980	1981 ^b	1982 ^c
Trade balance	3.4	1.6	3.6	4.5	2.7	5.8	12.6	0.7	-1.5
Exports (f.o.b.)	6.9	6.2	8.7	10.3	9.7	15.3	22.8	15.7	14.4
Oil	6.9	6.1	8.7	10.3	9.7	15.3	22.8	15.7	14.4
Nonoil	NEGL	NEGL	NEGL	NEGL	NEGL	NEGL	NEGL	NEGL	NEGL
Imports (f.o.b.)	3.5	4.6	5.1	5.8	7.0	9.5	10.2	15.0	15.9
Net services and private transfers	-1.2	-1.6	-1.8	-2.4	-2.2	-2.6	-2.7	-3.4	-4.4
Freight and insurance	-0.5	-0.5	-0.6	-0.6	-0.8	-1.1	-1.2	-1.8	-1.9
Investment income receipts	0.3	0.2	0.2	0.3	0.5	0.7	1.3	1.7	1.1
Other	-1.0	-1.3	-1.4	-2.1	-1.8	-2.2	-2.7	-3.3	-3.6
Grants	-0.2	-0.1	-0.1	-0.2	-0.2	-0.2	-0.3	-0.4	-0.5
Current account balance	2.0	-0.2	1.7	1.9	0.3	3.0	9.6	-3.1	-6.5

^a Because of rounding, components may not add to the totals shown.^b Estimated.^c Projected.

25X1

Table A-9

Billion US \$

Nigeria: Current Account ^a

	1974	1975	1976	1977	1978	1979	1980	1981 ^b	1982 ^c
Trade balance	7.2	2.2	2.2	1.3	-1.9	5.2	8.8	-1.0	-0.5
Exports (f.o.b.)	9.6	7.7	9.8	10.9	9.7	17.0	24.7	18.0	18.9
Oil	8.9	7.1	9.1	10.1	8.7	15.9	23.7	16.7	17.4
Nonoil	0.7	0.6	0.7	0.8	1.0	1.1	1.0	1.3	1.4
Imports (f.o.b.)	2.5	5.5	7.6	9.7	11.5	11.8	15.9	19.0	19.4
Net services and private transfers	-1.7	-2.7	-3.8	-3.9	-3.2	-4.3	-5.0	-5.6	-6.6
Freight and insurance	-0.2	-0.8	-2.0	-1.7	-1.7	-1.7	-2.1	-2.5	-2.5
Investment income receipts	0.3	0.3	0.3	0.3	0.2	0.3	0.8	0.9	0.2
Other	-1.8	-2.2	-2.1	-2.4	-1.7	-2.9	-3.8	-4.1	-4.3
Grants	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current account balance	5.4	-0.5	-1.7	-2.6	-5.1	0.9	3.8	-6.6	-7.1

^a Because of rounding, components may not add to the totals shown.^b Estimated.^c Projected.

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Table A-10

Billion US \$

Qatar: Current Account ^a

	1974	1975	1976	1977	1978	1979	1980	1981 ^b	1982 ^c
Trade balance	1.7	1.4	1.6	1.2	1.5	2.6	4.6	4.6	3.9
Exports (f.o.b.)	2.0	1.9	2.4	2.4	2.6	3.9	5.8	5.9	5.3
Oil	1.9	1.8	2.1	2.1	2.3	3.6	5.4	5.5	4.9
Nonoil	NEGL	0.1	0.3	0.3	0.3	0.3	0.4	0.4	0.4
Imports (f.o.b.)	0.3	0.5	0.9	1.1	1.2	1.3	1.2	1.3	1.5
Net services and private transfers	-0.2	-0.3	-0.3	-0.4	-0.3	-0.1	NEGL	0.3	0.4
Freight and insurance	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
Investment income receipts	0.1	0.1	0.2	0.2	0.3	0.5	0.9	1.4	1.6
Other	-0.2	-0.3	-0.3	-0.4	-0.4	-0.5	-0.7	-0.9	-1.0
Grants	-0.1	-0.2	-0.1	-0.1	NEGL	-0.2	-0.3	-0.4	-0.6
Current account balance	1.4	0.9	1.2	0.8	1.1	2.3	4.4	4.5	3.6

^a Because of rounding, components may not add to the totals shown.^b Estimated.^c Projected.

25X1

Table A-11

Billion US \$

Saudi Arabia: Current Account ^a

	1974	1975	1976	1977	1978	1979	1980	1981 ^b	1982 ^c
Trade balance	26.8	20.8	24.5	25.1	17.0	34.4	71.2	77.4	46.3
Exports (f.o.b.)	30.5	26.8	34.9	39.8	37.0	57.9	99.4	110.9	85.6
Oil	30.4	26.7	34.8	39.7	36.8	57.8	99.2	110.7	85.4
Nonoil	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2
Imports (f.o.b.)	3.7	6.0	10.4	14.7	20.0	23.5	28.2	33.5	39.3
Net services and private transfers	-0.2	-2.4	-5.8	-8.0	-14.3	-17.0	-20.2	-17.9	-19.5
Freight and insurance	-0.4	-0.9	-2.1	-2.9	-3.4	-4.0	-5.1	-6.0	-6.7
Investment income receipts	1.2	1.7	2.6	3.3	4.1	5.8	8.1	13.7	15.3
Other	-1.0	-3.2	-6.3	-8.4	-15.0	-18.8	-23.3	-25.6	-28.2
Grants	-2.8	-3.1	-3.3	-3.9	-3.9	-3.5	-4.2	-4.8	-5.3
Current account balance	23.7	15.4	15.4	13.2	-1.2	13.9	46.7	54.6	21.5

^a Because of rounding, components may not add to totals shown.^b Estimated.^c Projected.

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Table A-12

Billion US \$

UAE: Current Account ^a

	1974	1975	1976	1977	1978	1979	1980	1981 ^b	1982 ^c
Trade balance	5.7	4.4	5.5	5.4	4.4	6.9	12.2	12.0	7.3
Exports (f.o.b.)	7.4	7.1	8.9	9.9	9.6	13.7	20.0	20.4	16.7
Oil	7.0	6.5	8.1	8.9	8.5	12.5	18.7	19.0	15.1
Nonoil	0.4	0.6	0.8	1.0	1.1	1.2	1.3	1.4	1.6
Imports (f.o.b.)	1.7	2.7	3.4	4.5	5.2	6.8	7.8	8.4	9.4
Net services and private transfers	-1.3	-0.9	-1.3	-2.5	-2.5	-2.5	-2.9	-2.7	-2.8
Freight and insurance	-0.2	-0.4	-0.4	-0.8	-0.8	-0.9	-1.0	-1.1	-1.2
Investment income receipts	0.3	0.3	0.5	0.7	1.0	1.6	2.4	3.5	3.7
Other	-1.3	-0.9	-1.4	-2.4	-2.7	-3.1	-4.2	-5.1	-5.2
Grants	-0.5	-0.4	-0.4	-0.8	-0.4	-0.6	-0.6	-0.7	-0.9
Current account balance	3.9	3.1	3.8	2.1	1.5	3.9	8.7	8.6	3.6

^a Because of rounding, components may not add to the totals shown.^b Estimated.^c Projected.

25X1

Table A-13

Billion US \$

Venezuela: Current Account ^a

	1974	1975	1976	1977	1978	1979	1980	1981 ^b	1982 ^c
Trade balance	6.7	3.3	1.9	-0.3	-1.7	3.9	9.4	9.6	3.7
Exports (f.o.b.)	10.7	8.8	9.2	9.9	9.5	13.9	20.7	22.4	18.0
Oil	10.2	8.3	8.6	9.4	9.0	13.2	19.8	21.3	16.8
Nonoil	0.5	0.5	0.5	0.4	0.5	0.7	1.0	1.1	1.2
Imports (f.o.b.)	3.9	5.5	7.3	10.2	11.2	10.0	11.3	12.8	14.4
Net services and private transfers	-0.8	-1.0	-1.8	-2.8	-4.0	-4.0	-4.7	-4.6	-5.1
Freight and insurance	-0.4	-0.6	-0.8	-0.9	-1.2	-0.9	-1.1	-1.3	-1.4
Investment income receipts	0.5	0.5	0.6	0.6	0.7	1.1	1.5	1.8	1.8
Other	-0.8	-0.9	-1.6	-2.4	-3.5	-4.3	-5.0	-5.2	-5.5
Grants	-0.1	NEGL	-0.1	-0.1	NEGL	NEGL	NEGL	NEGL	NEGL
Current account balance	5.9	2.3	NEGL	-3.2	-5.7	-0.2	4.8	5.0	-1.5

^a Because of rounding, components may not add to the totals shown.^b Estimated.^c Projected.

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